GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1839
ANSWERED ON:29.11.2002
CII REPORT ON SUCCESS OF CHINA INDUSTRY
YEMPARALA VENKATESWARA RAO

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Confederation of Indian Industry stated in its report that lower taxes is the key of China`s success;

(b) if so, the Government reaction thereon;

(c) whether the Government propose to replicate similar steps in India to give a boost to our economy; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)
(a) The Report entitled `Learning from China to Unlock India`sManufacturing Potential` by Confederation of Indian Industry (CII) and McKinsey has indicated that reduction and simplification of indirect taxes in China has boosted demand.
(b), (c) & (d) The Government has been following a policy ofrationalisation of tax structure and widening the tax base as an integral part of its on-going economic reforms. The policy has resulted in lower and fewer tax rates and a more transparent tax system than before. The Budget for 2002-03 further brought down the peak rate in customs tariff to 30 per cent. It is proposed to further rationalise the tax system. Reforms in tax structure are undertaken keeping in view the specific requirements of the country.